

ECONorthwest

ECONOMICS • FINANCE • PLANNING

Phone • (541) 687-0051
FAX • (541) 344-0562
info@eugene.econw.com

Suite 400
99 W. 10th Avenue
Eugene, Oregon 97401-3001

Other Offices
Portland • (503) 222-6060
Seattle • (206) 622-2403

October 15, 2008

TO: Springfield City Council & Planning Commission
FROM: Bob Parker and Beth Goodman
**SUBJECT: DRAFT ECONOMIC DEVELOPMENT OBJECTIVES AND
IMPLEMENTATION STRATEGIES**

The City of Springfield is conducting a Commercial Industrial Buildable Land Needs analysis. Broadly, the project has three components: (1) a buildable lands inventory; (2) an economic opportunities analysis; and (3) an economic development strategy. All of these elements are required to comply with statewide planning Goal 9 and the Goal 9 rule (OAR 660-009). The economic development strategy builds from previous work by the City and will be used to guide development of land-use policies to implement the City's economic development vision.

Economic development policies may address a range of outcomes, from policies to attract firms or retain existing firms to policies to improve or maintain quality of life. The economic development strategy presented in this memorandum was developed in support of the EOA and is designed to meet the requirements of Goal 9. As a result, the economic development strategy focuses on land-use issues, without addressing broader economic development strategies such as labor force education that may also be a priority to the City and residents of Springfield.

The economic development strategy is the result of input from multiple sources:

- **City Council and Planning Commission.** At joint worksessions in June 2008, decisionmakers provided guidance on economic development objectives for Springfield.
- **Commercial Industrial Buildable Lands Stakeholder Committee.** The Stakeholder Committee provided input on the economic development objectives suggested by decisionmakers and suggested implementation strategies for each objective.
- **Community Development Survey.** The City administered an on-line survey about community development issues.
- **Visioning Workshops.** The City of Springfield held two community workshops to discuss community development issues.
- **Springfield Economic Development Plan.** The City of Springfield completed a draft Economic Development Plan, dated April 13, 2006. The Economic Development Plan

addresses a range of economic development issues, including (but not limited to) land-use planning for economic growth.

ORGANIZATION OF THIS MEMORANDUM

The remainder of the memorandum is organized as follows:

- **Public Opinions about Economic Development Summarizes** selected results from the on-line community development survey and the public workshops.
- **Framework for Understanding Economic Development Policies and Actions** provides an overview of economic development issues and types of economic development policies and strategies that municipalities can adopt to achieve various economic development goals.
- **Economic Development Strategies and Implementation Steps** for Springfield presents objectives and strategies related to land-use to implement the City's economic development goals.
- **Appendix A: Metro Plan Economic Element** presents the economic goal, findings, objectives and policies from the Metro Plan to provide context about existing regional economic development policies.

PUBLIC OPINIONS ABOUT ECONOMIC DEVELOPMENT

While the analysis required to meet Goal 9 emphasizes market conditions and local productive factors as the primary determinant of potential economic growth, Oregon's Statewide Planning Goals also recognize a role for local governments and citizens to express their desire for the level and type of economic growth in their community. The desires of a city are formally stated in its adopted Comprehensive Plan, economic development plans, and refinement plans. Development of these plans always includes opportunities for public comment and plans are adopted by elected bodies, so these plans collectively represent the community economic development vision.

The 2004 Update of the Eugene-Springfield Metropolitan Area General Plan includes an economic element that articulates the region's economic goals and objectives (presented in Appendix A). The Metro Plan lists a single economic development goal:

Broaden, improve, and diversify the metropolitan economy while maintaining or enhancing the environment.

The range of views by individual citizens, however, is more diverse than the consensus represented in adopted plans. This project included two public workshops and an online survey to solicit citizen's views on economic opportunities in Springfield, issues affecting economic development, and potential policies to address these issues. This section summarizes the views expressed at the public workshop and in the online survey.

RESULTS OF THE ONLINE SURVEY

As a part of this project, ECONorthwest developed and implemented an online survey from April 4, 2008 through May 27, 2008. The intent of the survey was to collect anecdotal information on the opinions and preferences of survey respondents on a variety of community development issues ranging from pace of growth to the importance of amenities and issues to opinions about broad economic development policies. Following is a summary of the key findings from the survey. The survey had 214 respondents, with 186 respondents completing the entire survey, nearly three-quarters of whom lived inside the Springfield Urban Growth Boundary (UGB).

- A majority of survey respondents (60%) think that Springfield is a better place to live than it was 10 years ago. Respondents identified a broad range of reasons. Some frequently mentioned reasons were new businesses, newer, more vibrant buildings, an improved downtown, and the EmX.
- About 66% of respondents felt the rate of growth was “about right,” while about 18% indicated it is “too fast.” The remaining 16% of respondents thought that growth was too slow (10%) or did not have an opinion (6%).
- About 76% of respondents felt that the city should “manage growth” as opposed to limited growth or pursuing faster rates of growth. About 78% of respondents thought that Springfield should manage growth by targeting specific types of employers.
- Respondents identified the following three land-use issues as the top problems in Springfield: (1) availability of family wage jobs; (2) development on steep slopes and in floodplains; and (3) availability of affordable housing.
- A majority of respondents felt that redevelopment is a high priority in Downtown (71%) and in Glenwood (63%).
- A majority of respondents support economic development policies that increase economic activity, including policies to recruit new businesses and retain existing businesses.
- About 85% of respondents supported policies to maintain Springfield’s existing environmental quality.

RESULTS OF PUBLIC WORKSHOP

The City of Springfield held two community workshops to discuss community development issues, one on May 20, 2008 and one on July 31, 2008. The intent of the workshops was to collect anecdotal information on the opinions and preferences about community issues. At the workshops, small groups formed to discuss issues of concern for developing Springfield’s economy. The City summarized the results of each group’s discussion. This section summarizes the themes discussed the workshops.

Table 1. Summary of input from the Springfield Economic Development Workshop

Category	Issues and themes
Jobs and the economy	Attract businesses that provide stable, living or family wage jobs that provide benefits Recruit businesses that provide green or sustainable products Lower the costs of doing business in the City, such as system development charges and permitting fees Attract businesses to the City through the use of enterprise zones
Sustainability and the environment	Balance environmental protection and greenfield development Encourage green building practices for new development Capitalize on opportunities to increase walkability and bicycling
Land use and zoning	Balance the use of developing green-fields with redeveloping existing land and emphasizing infill Encourage more efficient land uses, including higher density development where appropriate Promote nodal development and mixed-use development, especially in downtown Provide opportunities for high quality development along the riverfront Reevaluate allowable uses, especially near schools Consider parking and transportation needs when planning for new uses, especially in downtown
Redevelopment	Focus on redevelopment in downtown and Glenwood. Revitalize downtown through redevelopment and rehabilitation of old buildings Promote re-use of vacant buildings in downtown Keep a historical perspective when considering redevelopment

Source: Springfield economic development workshops, May 20, 2008 and July 31, 2008

FRAMEWORK FOR UNDERSTANDING ECONOMIC DEVELOPMENT POLICIES AND ACTIONS

A wide range of economic development policies and actions are available to cities that can affect the level and type of economic development in their community. To affect economic development, any policy or action must affect a factor of production that influence business locations and job growth. In brief, the factors that have the most impact on business locations and job growth are:

- Labor
- Land
- Local Infrastructure
- Access to markets and materials
- Agglomerative economies (clusters)
- Quality of life
- Entrepreneurship

The supply, cost, and quality of any of these factors obviously depend on national and global market forces that local government has no influence over. But they also depend on public policy, which can generally affect these factors of production through:

- Planning
- Regulation
- Provision of public services
- Taxes
- Incentives

The location decisions of businesses are primarily based on the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region. Most economic development strategies available to local governments only indirectly affect the cost and quality of these primary location factors.

Local governments can most directly affect tax rates (within the bounds of Measures 5 and 50), the cost to businesses and quality of public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest affect on the level and type of economic development in the community.

Local governments in Oregon also play a central role in the provision of buildable land through inclusion in the Urban Growth Boundary, plan designation, zoning, and provision of public services. Obviously, businesses need buildable land to locate or expand in a community. Providing buildable land alone is not sufficient to guarantee economic development in a community—market conditions must create demand for this land, and local factors of production must be favorable for business activity. The provision of buildable land is one of the most direct ways that the City of Springfield can affect the level and type of economic development in the community.

POTENTIAL ECONOMIC DEVELOPMENT POLICIES AND ACTIONS

A broad range of policies and actions are available to cities in achieving local economic development objectives. The effectiveness of any individual tool or combination of tools depends on the specific objectives the municipality wants to achieve. In short, local strategies should be customized not only to meet locally defined objectives, but to recognize economic opportunities and limitations (as defined in the Economic Opportunity Analysis (EOA)). Positive outcomes are not guaranteed: even good programs can result in limited or modest results.

Table 2 identifies a range of potential economic development strategies that the City of Springfield could consider implementing. These strategies range from those closely associated with the basic functions of government (provision of buildable land and public services) to those sometimes viewed as outside the primary functions of government (such as financial incentives and business assistance). The actual policies and actions adopted by the City of Springfield will depend on the specific economic development issues and the role of the City in economic development in the community.

Table 2. Range of potential economic development strategies

Category/Policy	Description
-----------------	-------------

Category/Policy	Description
Land Use	Policies regarding the amount and location of available land and allowed uses.
Provide adequate supply of land	Provide an adequate supply of development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Springfield.
Increase the efficiency of the permitting process and simplify city land-use policies	Take actions to reduce costs and time for development permits. Adopt development codes and land use plans that are clear and concise.
Public Services	Policies regarding the level and quality of public and private infrastructure and services.
Provide adequate infrastructure to support employment growth	Provide adequate public services (i.e. roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e. electricity and communications) are provided to existing businesses and development sites.
Focused public investment	Provide public and private infrastructure to identified development or redevelopment sites.
Communications infrastructure	Actions to provide high-speed communication infrastructure, such as developing a local fiber optic network.
Business Assistance	Policies to assist existing businesses and attract new businesses.
Business retention and growth	Targeted assistance to businesses facing financial difficulty or thinking of moving out of the community. Assistance would vary depending on a given business' problems and could range from business loans to upgrades in infrastructure to assistance in finding a new location within the community.
Recruitment and marketing	Establish a program to market the community as a location for business in general, and target relocating firms to diversify and strengthen the local economy. Take steps to provide readily available development sites, an efficient permitting process, well-trained workforce, and perception of high quality of life.
Development districts (enterprise zones, renewal districts, etc.)	Establish districts with tax abatements, loans, assist with infrastructure, reduced regulation, or other incentives available to businesses in the district that meet specified criteria and help achieve community goals.
Business clusters	Help develop business clusters through business recruitment and business retention policies. Encourage siting of businesses to provide shared services to the business clusters, including retail and commercial services.
Public/private partnerships	Make public land or facilities available, public lease commitment in proposed development, provide parking, and other support services.
Financial assistance	Tax abatement, waivers, loans, grants, and financing for firms meeting specified criteria. Can be targeted as desired to support goal such as recruitment, retention, expansion, family-wage jobs, or sustainable industry.
Business incubators	Help develop low-cost space for use by new and expanding firms with shared office services, access to equipment, networking opportunities, and business development information. Designate land for live-work opportunities.
Mentoring and advice	Provide low-cost mentors and advice for local small businesses in the area of management, marketing, accounting, financing, and other business skills.
Export promotion	Assist businesses in identifying and expanding into new products and export markets; represent local firms at trade shows and missions.

Category/Policy	Description
Workforce	Policies to improve the quality of the workforce available to local firms.
Job training	Create opportunities for training in general or implement training programs for specific jobs or specific population groups (i.e. dislocated workers).
Job access	Provide transit/shuttle service to bring workers to job sites.
Jobs/housing balance	Make land available for a variety of low-cost housing types for lower income households, ranging from single-family housing types to multifamily housing.
Other	
Regional collaboration	Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies are developed.
Quality of life	Maintain and enhance quality of life through good schools, cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.

Source: ECONorthwest.

ECONOMIC DEVELOPMENT STRATEGIES AND IMPLEMENTATION STEPS FOR SPRINGFIELD

The following economic development strategies for Springfield are based on five sources of information: (1) guidance on developing the strategies from the City Council and Planning Commission; (2) input from the Stakeholder Committee on the strategies and implementation steps; (3) public input on preferred types of growth and development strategies from the visioning survey and public workshops; (4) existing goals and strategies in the Economic Development Plan; and (5) the principles of economic development presented in the section above and Table 2.

Together these considerations suggest the following criteria and strategy for the City to support economic development in Springfield. The strategies and implementation steps suggested below are organized with objectives most related to land-use planning presented first. The objectives were proposed by Springfield's decisionmakers or through the Stakeholder group. The implementation strategies were developed by the Stakeholder group or taken from Springfield's draft Economic Development Plan.

Objective 1: Provide an adequate supply of sites of varying locations, configurations, and size, to accommodate industrial and other employment over the planning period.

The Economic Opportunities Analysis (EOA) identifies the size and characteristics of sites needed in Springfield for employment uses over the planning period. Using the site needs described in the EOA, the City should track employment land use trends and re-evaluate employment land needs in five to seven years. The City should always maintain an adequate supply of land for employment uses.

Suggested implementation steps:

- Provide land to meet the site characteristics and site sizes described in the EOA. These sites may include vacant, undeveloped land, partially developed sites with

potential for additional development through infill development, and redevelopable areas. The City can provide land in two ways: (1) increasing commercial and industrial land-use efficiency by promoting infill or redevelopment or (2) bringing new land into the urban growth boundary.

- Work with property owners and their representatives to ensure that prime development and redevelopment sites throughout the City and Urban Growth Boundary are known, aggregated, ready to develop, and marketed.
- Work with property owners and their representatives to ensure that prime development and redevelopment sites throughout the City and Urban Growth Boundary that are designated for employment use are preserved for future employment needs and are not subdivided or used for non-employment uses.
- Expand industrial site opportunities through rezoning and evaluating commercial, residential, and industrial land for the best economic return for the community through the process of Periodic Review of the Metro Plan, expanding the urban growth boundary, and other means (e.g., Transportation Growth Management Grants from the State of Oregon).
- Develop and implement a system to monitor the supply of commercial and industrial lands. This includes monitoring commercial and industrial development (through permits) as well as land consumption (e.g. development on vacant, or redevelopable lands).

Objective 2: Provide an adequate competitive short-term supply of suitable land to respond to economic development opportunities as they arise.

“Short-term supply” means suitable land that is ready for construction usually within one year of an application for a building permit or request for service extension. “Competitive Short-term Supply” means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses.

Suggested implementation steps:

- Where possible, concentrate development on sites with existing infrastructure or on sites where infrastructure can be provided relatively easily and at a comparatively low cost.
- Work with the State to have sites certified as project-ready through the state’s certified Industrial Lands program.
- Track development of land in the short-term supply and replace developed land with undeveloped or redevelopable land with similar characteristics (e.g., location, size, topography, etc.) as the land that recently developed. The City may want to replenish the short-term supply of land on an annual basis or every two to three years.

Objective 3: Reserve sites over 20-acres for special developments and industries that require large sites.

There are comparatively few large sites relatively near to I-5 available for development in the Southern Willamette Valley and no sites with these characteristics in the Eugene-Springfield

area.¹ The City should preserve large sites, especially sites with access to I-5, to provide opportunities for development by industries that require large sites.

Suggested implementation steps:

- Designate land for industrial or business parks to provide opportunities for development of business clusters for related or complementary businesses.
- Develop policies that provide flexibility in the industrial or non-retail commercial use of land on large sites.

Objective 4: Provide adequate infrastructure efficiently and fairly.

Public infrastructure and services are a cornerstone of any economic development strategy. If roads, water, sewer, and other public facilities are unavailable or inadequate, industries will have little incentive to locate in a community.

Suggested implementation steps:

- Coordinate capital improvement planning with land use and transportation planning to coincide with the City's Economic Development Strategy.
- Target resources of the Systems Development Funds of infrastructure on sites that provide prime opportunities for employment uses as a result of location, site size, or other significant site characteristics.
- Ensure that public-private development agreements to recover costs are in effect prior to financing public improvements.
- Establish alternative funding mechanisms in addition to debt service that provide timely completion of 'connecting' public facilities (unpaved block of a street or missing sections of sewer line) with preferences to projects in existing neighborhoods and those fostering economic development.
- Efficiently use existing infrastructure by promoting development, infill, re-use, and redevelopment for commercial and industrial uses and developing strategies and incentives to stimulate private investment that overcome anticipated impacts or downturns in the local economy.
- Support development of citywide high-speed internet access and other telecommunications infrastructures.
- Provide information on infrastructure availability on a site-by-site basis so that developers are able to readily assess infrastructure availability on any given site.
- Assist with providing infrastructure through the use of Urban Renewal funding, where appropriate.

¹ According to Oregon Prospector, there are only nine sites in the Southern Willamette Valley with the following characteristics: 20 acres or larger, Project Certified, and within about five miles of I-5. The following counties have sites that match these characteristics: three sites in Marion County, one site in Benton County, two sites in Linn County, no sites in Lane County, and three sites in Douglas County.

- Assess lower systems development charges (SDCs) in redevelopment areas with the capacity to provide land for employment, especially for redevelopment of areas five acres and larger.

Objective 5: Encourage employers to locate in downtown Springfield, when appropriate.

The City has policies to encourage residential and commercial redevelopment in downtown. The redevelopment of downtown Springfield provides opportunities to both use land more efficiently and minimize the costs of providing infrastructure.

Suggested implementation steps:

- Support the continued revitalization of Springfield's Downtown
- Pursue policies to promote infill and redevelopment in downtown Springfield
- Provide the infrastructure and services that businesses need to operate in downtown Springfield
- Develop programs to promote investments in existing buildings to make downtown more attractive, such as the Urban Renewal program.
- Develop a marketing strategy to attract businesses to downtown Springfield, including providing low-cost assistance for businesses moving to downtown

Objective 6: Encourage redevelopment of Glenwood with a mixed use employment and housing center.

The City has policies to encourage residential and commercial redevelopment in Glenwood. Like redevelopment in downtown, redevelopment in Glenwood provides opportunities to both use land more efficiently and minimize the costs of providing infrastructure.

Suggested implementation steps:

- Redevelop and develop sites in Glenwood through key investments, special standards, and focused activity through the Springfield Economic Development Agency (SEDA), the Glenwood Urban Renewal Plan, the Glenwood Refinement Plan and the Riverfront Development Plan.
- Provide the infrastructure and services to necessary for development in Glenwood.
- Coordinate economic development in Glenwood with regional economic development agencies.
- Promote economic development in Glenwood through techniques, such as land assembly and cooperative development agreements, to assist developers with land assembly problems.

Objective 7: Redevelop brownfields as the opportunities for reuse arise.

Springfield has more than 20 brownfield sites that will require clean-up before the sites can be redeveloped. Springfield has about 20 to 50 more sites that may be brownfields if the sites were

available for redevelopment. The cost of clean-up will vary, depending on the prior uses and type of contamination on the site.

Suggested implementation steps:

- Inventory existing brownfields in the Springfield UGB. The inventory should include information about the site and brownfield: site location and size, previous uses, pollution or contaminants, and other site characteristics.
- Develop policies that support redevelopment of brownfields. Opportunities to encourage brownfield redevelopment may include tax incentives, decreases or waiving development fees, or private-public partnerships for state or federal grant funding for brownfield redevelopment.
- Provide non-monetary assistance with clean-up and redevelopment of ‘brownfield’ commercial and industrial sites, including, for example, the possible sponsorship of applicable state and federal grants.

Objective 8: Encourage development of commercial businesses in close proximity with residential uses, where appropriate.

Mixing commercial and residential development is appropriate in some areas of Springfield. The City should encourage mixed used development that includes retail, office commercial, and multifamily housing in areas like downtown. In more residential neighborhoods, the City should consider mixing neighborhood retail or small-scale offices with residential uses.

Suggested implementation steps:

- Continue to support policies to encourage mixed-use development and nodal development in Springfield’s downtown, Glenwood, and mixed-use nodes identified in TransPlan.
- Support policies to mix small-scale commercial uses into existing and new residential neighborhoods where these uses are appropriate and acceptable to residents.
- Support the co-location of residential and commercial uses in existing buildings by providing financial assistance for necessary building upgrades to meet requirements in the City’s building code, such as improvements to meet seismic standards.
- Reduce systems development charges (SDCs) and other development costs to encourage redevelopment and commercial uses in residential areas, where appropriate.

Objective 9: Support and assist existing businesses in Springfield.

Springfield’s existing businesses are important to the City’s continuing economic well-being.

Suggested implementation steps:

- Develop and implement an outreach strategy to determine how the City can assist existing businesses. Opportunities for assistance may range from ensuring availability

- of on-street parking to providing assistance with the development process to forming public-private partnerships to promote Springfield businesses.
- Encourage self-help methods and programs for business districts such as the formation of business associations and special self-assessment districts for parking and economic improvement.
 - Pursue special projects and grant applications that provide support to local business and industry.
 - Support the co-location of residential and commercial uses in existing buildings by providing financial assistance for necessary building upgrades to meet requirements in the City's building code, such as improvements to meet seismic standards.
 - Reduce systems development charges (SDCs) and other development costs to encourage redevelopment and commercial uses in residential areas, where appropriate.

Objective 10: Increase the potential for employment in one of the regional industry clusters.

The clusters include: Health Care, Communication Equipment, Information Technology (Software), Metals (Wholesalers), Processed Food and Beverage, Wood & Forest Products, and Transportation Equipment.

Suggested implementation steps:

- Provide the services, infrastructure, and land needed to attract these types of businesses, especially where it can increase connectivity between businesses.
- Designate land for industrial/technology/business parks to provide opportunities for development of business clusters for related or complementary businesses.
- Promote development of support businesses for business clusters, including specialized suppliers for the business cluster, restaurants, financial institutions, and other services.
- Promote further development of the health care cluster in the Gateway area by examining land-use policies in the area and, if necessary, modify the policies to promote development of medical and other employment that requires specific types of land.
- Promote development of high-tech businesses by continuing to target these businesses for recruitment and expansion in Springfield.
- Coordinate development of business clusters with other cities and economic development agencies in the Eugene-Springfield region but emphasize development of the business cluster in Springfield.

Objective 11: Increase the potential for convention- and tourist-related economic activities.

Tourism results in economic activity, especially in the service industries like retail, food services, and accommodations. For example, the direct economic benefit of lodging tax receipts from overnight accommodations to Springfield in 2007 was \$1.2 million. Springfield could increase tourism through building tourism-relative facilities, such as a convention center, through growth of businesses that bring tourists to the City, and through increased marketing.

Suggested implementation steps:

- Assist with conference center development at a suitable site in Springfield with a goal of making it financially independent with self-sustaining operations.
- Encourage development of destination point projects (like the Springfield Museum Interpretive Center, Dorris Ranch Living History Farm and McKenzie River fishing and recreational activities) that draw visitors to the Springfield area from regional, national, and international areas.
- Ensure that the factors that are likely to attract visitors to Springfield, especially Springfield's environmental quality and natural beauty, are protected and enhanced.

Objective 12: Attract sustainable businesses and support sustainable development practices.

The City should foster the creation of a local, sustainable economy by partnering with other organizations to watch for opportunities and vulnerabilities, incubate and coordinate projects and facilitate dialogue, action and education within the community. The City should also work to reduce Springfield's exposure to global economic and social vulnerabilities that could result as fuel supplies cease to be abundant and inexpensive.

Suggested implementation steps:

- Define "sustainable businesses" and what business practices qualify as "sustainable."
- Promote and recruit businesses that produce sustainable products, have sustainable business practices, and/or have sustainable manufacturing processes.
- Support land use patterns that reduce transportation needs, promote walkability and provide easy access to services and transportation options.
- Rebate development fees for development projects that are certified as sustainable to nationally recognized standards (e.g., LEED buildings).
- Provide incentives for development that uses sustainable building materials or solutions (e.g., instead of using traditional asphalt, using permeable asphalt) or use of sustainable energy sources (e.g., solar or wind power).
- When developing policies that will impact land outside of the Springfield UGB, consider future agricultural needs and economic opportunities to protect agricultural lands for production of local food.

Objective 13: Recruit businesses that pay higher than average wages for the region.

Maintaining and creating high-wage jobs is important for the development of Springfield's economy. Economic development recruitment efforts the City engages in should target high-wage jobs.

Suggested implementation steps:

- Work with Lane Metro Partnership and other economic development organizations to target and recruit businesses: (1) with above average wages (as reported by the Oregon Employment Department), (2) other benefits such as health insurance, especially for part-time employees, and/or (3) that provide other benefits such as job advancement or ownership opportunities.
- Work with local agencies to meet workforce needs, such as: training and education, job advancement, or local expansion of businesses that are less subject to boom and bust cycles.
- Coordinate with community economic development organizations to develop a coherent and effective marketing program. Coordinate development of the strategy local and state economic development agencies.
- Use word-of-mouth to market Springfield to prospective businesses based on the City's reputation for: rapid processing of permits and applications, maintaining City agreements and commitments, minimizing surprises in the development process, and providing developers with certainty and flexibility in the development process. Depending on this type of marketing will require that the City strive to enhance and maintain the City's reputation for these attributes.

APPENDIX A: METRO PLAN ECONOMIC ELEMENT (2004)

This appendix is the Economic Element from the 2004 update of the Metropolitan Area General Plan. The purpose of this appendix is to provide context for the existing regional economic development policies.

In recent years, there has been a strong structural shift in the Eugene-Springfield metropolitan area's economy. This shift is characterized by four trends: (a) a decline in the lumber and wood products industry as a source of employment; (b) limited increase in employment in other manufacturing activities; (c) diversification of the non-manufacturing segments of the local economy, primarily in trade, services, finance, insurance, and real estate; and (d) the development of this metropolitan area as a regional trade and service center serving southern and eastern Oregon.

The decline in lumber and wood products and diversification of the non-manufacturing sectors are consistent with changes that are occurring in other portions of the state and throughout the nation as a result of rising real incomes and higher productivity of labor in manufacturing. The increase in employment in other manufacturing activities in this area has lagged behind other portions of the state, particularly the Portland area, and many other places in the nation. Given the projected growth in this area's economy, it is essential that an adequate supply (quantitatively and qualitatively) of commercial and industrial land be available. An adequate supply of land includes not only sites sufficient in size to accommodate the needs of the commercial or industrial operations (including expansion), but also includes sites which are attractive from the standpoint of esthetics, transportation costs, labor costs, availability of skilled labor, natural resource availability, proximity to markets, and anticipated growth of local markets.

In striving toward the Land Conservation and Development Commission's (LCDC) Statewide Planning Goal 9: Economic Development, "To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens," the Eugene-Springfield metropolitan area must take advantage of and encourage the further diversification of this area's economic activities and role as a regional center.

This diversification and growth can improve the opportunities for presently underutilized human resources and generally raise the standard of living for metropolitan area residents.

Implicit in the goals and objectives that follow is the premise that the economic health of the area is integrally related to the quality of life for residents. Improved welfare of the residents of the metropolitan area, measured by increases in employment opportunities and reductions in unemployment, increases in real incomes, and improved environmental quality are the ultimate goals of all economic efforts. Economic growth or industrial expansion is acceptable when it is consistent with these goals and objectives.

ECONOMIC GOAL

Broaden, improve, and diversify the metropolitan economy while maintaining or enhancing the environment.

FINDINGS, OBJECTIVES, AND POLICIES

Findings

1. The structure of the Eugene-Springfield metropolitan area economy is undergoing a shift away from lumber and wood products manufacturing (and other heavy industrial activities) and towards a more diverse economic base characterized by growth in light manufacturing activities and the non-manufacturing activities of trade, commercial and professional services, finance, insurance, and real estate.
2. The lumber and wood products sector is the metropolitan area's dominant manufacturing activity; and in this respect, Lane County's forest is the area's most important natural resource utilized as a factor of production.
3. Major institutions in the metropolitan area including the University of Oregon and Sacred Heart Hospital, have had a stabilizing influence on the local economy.
4. The Eugene-Springfield metropolitan area is developing as a regional center for activities, such as tourism, distribution, and financial services, serving the southwestern and central Oregon area.
5. Based on data from the 2000 U.S. Census, the per capita income in 1999 for the Eugene- Springfield metropolitan area was lower than for Oregon as a whole and the Portland metropolitan area.
6. In 2000, the unemployment rate in the Eugene-Springfield metropolitan area was comparable to Oregon and higher than the national rate.
7. Historically, heavy-manufacturing industries, including primary metals, chemicals and paper, have been characterized by high levels of pollution or energy consumption. Changes in technology and environmental regulations have reduced the potential environmental impacts of these industries. Heavy manufacturing industries provide benefits, such as relatively high wage scales and the potential for generating secondary manufacturing activities.
8. Both expansion of existing businesses through use of local capital and entrepreneurial skills and the attraction of new employers offer realistic opportunities for economic development.
9. The healthful environment of the metropolitan area can help attract industrial development, hold workers, and attract convention- and tourist-related economic activities. The concern for clean air and water is high priority with area residents.
10. The provision of adequate public facilities and services is necessary for economic development.
11. There are presently inefficiently used resources in the metropolitan area, including land, labor, and secondary waste products.
12. Major employment areas include the Eugene and Springfield central business districts, the University of Oregon area, Sacred Heart Hospital, the west Eugene industrial area, the north (Gateway) and south Springfield industrial areas, the Highway 99N industrial area, Country Club Road, Chad Drive, and the Mohawk-Northgate area.
13. The metropolitan economy is made up of a number of interrelated and important elements, one of which is construction and construction-related activities. Construction, for example, is essential for all sectors of the economy, as well as for the provision of an adequate supply of affordable housing.

14. The mixture of commercial and office uses with industrial uses can reduce or enhance the utility of industrial areas for industrial purposes, depending upon circumstances. Uncontrolled mixing creates problems of compatibility and traffic congestion, and may limit the area available for industrial development. Limited mixing, subject to clear and objective criteria designed to minimize or eliminate incompatibility, traffic problems, and which preserve the area for its primary purpose, can make an industrial area more pleasant, convenient, economical, and attractive as a place to work or locate.
15. Campus industrial firms prefer city services.
16. Campus industrial firms have varied site location requirements, prefer alternative sites to choose from, and usually benefit from location of other special light industrial firms within the community and within the same industrial development.

Objectives

1. Improve the level, stability, and distribution of per-capita income for metropolitan residents.
2. Reduce unemployment in the resident labor force, especially chronic long-term unemployment.
3. Encourage local residents to develop skills and other educational attributes that would enable them to obtain existing jobs.
4. Promote industrial and commercial development with local capital, entrepreneurial skills, and experience of the resident labor force, as well as with new light manufacturing companies from outside the metropolitan area.
5. Supply an adequate amount of land within the urban growth boundary to accommodate: (a) the diversifying manufacturing sector (especially low polluting, energy-efficient manufacturing uses); and (b) the expansion of the metropolitan area as a regional distribution, trade, and service center.
6. Maintain strong central business districts to provide for office-based commercial, governmental, and specialized or large-scale retail activities.
7. Ensure compatibility between industrial lands and adjacent areas.
8. Reserve enough remaining large parcels for special developments requiring large lots.
9. Increase the potential for convention- and tourist-related economic activities.
10. Provide the necessary public facilities and services to allow economic development.
11. Attempt to find ways to more effectively use inefficiently used resources such as land, labor, and secondary waste products.
12. Provide for limited mixing of office, commercial, and industrial uses subject to clear, objective criteria which: (a) do not materially reduce the suitability of industrial, office, or commercial areas for their primary use; (b) assure compatibility; and (c) consider the potential for increased traffic congestion.

Policies

- B.1 Demonstrate a positive interest in existing and new industries, especially those providing above average wage and salary levels, an increased variety of job opportunities, a rise in the standard of living, and utilization of our existing comparative advantage in the level of education and skill of the resident labor force.
- B.2 Encourage economic development, which utilizes local and imported capital, entrepreneurial skills, and the resident labor force.

- B.3 Encourage local residents to develop job skills and other educational attributes that will enable them to fill existing job opportunities.
- B.4 Encourage the continuance of career preparation and employment orientation for metropolitan area residents by the community's educational institutions, labor unions, businesses, and industry.
- B.5 Provide existing industrial activities sufficient adjacent land for future expansion. B.6 Increase the amount of undeveloped land zoned for light industrial and commercial uses correlating the effective supply in terms of suitability and availability with the projections of demand.
- B.7 Encourage industrial park development, including areas for warehousing and distributive industries and research and development activities.
- B.8 Encourage the improvement of the appearance of existing industrial areas, as well as their ability to serve the needs of existing and potential light industrial development.
- B.9 Encourage the expansion of existing and the location of new manufacturing activities, which are characterized by low levels of pollution and efficient energy use.
- B.10 Encourage opportunities for a variety of heavy industrial development in Oregon's second largest metropolitan area.
- B.11 Encourage economic activities, which strengthen the metropolitan area's position as a regional distribution, trade, health, and service center.
- B.12 Discourage future *Metro Plan* amendments that would change development-ready industrial lands (sites defined as short-term in the metropolitan *Industrial Lands Special Study*, 1991) to non-industrial designations.
- B.13 Continue to encourage the development of convention and tourist-related facilities.
- B.14 Continue efforts to keep the Eugene and Springfield central business districts as vital centers of the metropolitan area.
- B.15 Encourage compatibility between industrially zoned lands and adjacent areas in local planning programs.
- B.16 Utilize processes and local controls, which encourage retention of large parcels or consolidation of small parcels of industrially or commercially zoned land to facilitate their use or reuse in a comprehensive rather than piecemeal fashion.
- B.17 Improve land availability for industries dependent on rail access.
- B.18 Encourage the development of transportation facilities which would improve access to industrial and commercial areas and improve freight movement capabilities by implementing the policies and projects in the *Eugene-Springfield Metropolitan Area Transportation Plan (TransPlan)* and the *Eugene Airport Master Plan*.
- B.19 Local jurisdictions will encourage the allocation of funds to improve transportation access to key industrial sites or areas through capital budgets and priorities.
- B.20 Encourage research and development of products and markets resulting in more efficient use of underutilized, renewable, and nonrenewable resources, including wood waste, recyclable materials, and solar energy.
- B.21 Reserve several areas within the UGB for large-scale, campus-type, light manufacturing uses. (See *Metro Plan* Diagram for locations so designated.)
- B.22 Review local ordinances and revise them to promote greater flexibility for promoting appropriate commercial development in residential neighborhoods.
- B.23 Provide for limited mixing of office, commercial, and industrial uses under procedures which clearly define the conditions under which such uses shall be permitted and which: (a) preserve the suitability of the affected areas for their primary

- uses; (b) assure compatibility; and (c) consider the potential for increased traffic congestion.
- B.24 Continue to evaluate other sites in and around Springfield and Eugene for potential light-medium industrial and special light industrial uses, as well as potential residential uses.
- B.25 Pursue an aggressive annexation program and servicing of designated industrial lands in order to have a sufficient supply of “development ready” land.
- B.26 In order to provide locational choice and to attract new campus industrial firms to the metropolitan area, Eugene and Springfield shall place as a high priority service extension, annexation, and proper zoning of all designated special light industrial sites.
- B.27 Eugene, Springfield, and Lane County shall improve monitoring of economic development and trends and shall cooperate in studying and protecting other potential industrial lands outside the urban boundary.
- B.28 Recognize the vital role of neighborhood commercial facilities in providing services and goods to a particular neighborhood.
- B.29 Encourage the expansion or redevelopment of existing neighborhood commercial facilities as surrounding residential densities increase or as the characteristics of the support population change.
- B.30 Industrial land uses abutting the large aggregate extraction ponds north of High Banks Road in Springfield shall demonstrate that they require the location next to water to facilitate the manufacture of testing of products made on-site.